

§ 41.32

Type and amount	Tax rate for removals during the following periods:	
	2002 to March 31, 2009	April 1, 2009 and after
• but not to exceed—	\$48.75 per thousand.	\$0.4026 per cigar.

* For large cigars: Until March 31, 2009, the percentage tax rate applies when the sale price is \$235.294 per thousand or less, and the flat tax rate applies when the sale price is more than \$235.294 per thousand. On and after April 1, 2009, the percentage tax rate applies when the sale price is \$763.222 or less per thousand cigars, and the flat tax rate applies when the sale price is more than \$763.222 per thousand cigars.

(b) See § 41.39 of this part for rules concerning determination of sale price of large cigars.

(c) Cigars not exempt from tax under 26 U.S.C. chapter 52 and the provisions of this part which are removed but not intended for sale shall be taxed at the same rate as similar cigars removed for sale.

[T.D. ATF-420, 64 FR 71942, Dec. 22, 1999. Redesignated and amended by T.D. TTB-16, 69 FR 52424, 52425, Aug. 26, 2004; T.D. TTB-75, 74 FR 14484, Mar. 31, 2009]

§ 41.32 Cigarette tax rates.

Cigarettes are taxed at the following rates under 26 U.S.C. 5701(b):

Product	Tax rate per thousand for removals during the following periods:	
	2002 to March 31, 2009	April 1, 2009 and after
Small cigarettes	\$19.50	\$50.33
Large cigarettes up to 6½" long.	\$40.95	\$105.69
Large cigarettes over 6½" long.	Taxed at the rate for small cigarettes, counting each 2¾ or fraction thereof of the length of each as one cigarette.	

[T.D. TTB-75, 74 FR 14484, Mar. 31, 2009]

§ 41.33 Smokeless tobacco tax rates.

Smokeless tobacco products are taxed at the following rates under 26 U.S.C. 5701(e):

Product	Tax rate per pound* for removals during the following periods:	
	2002 to March 31, 2009	April 1, 2009 and after
Snuff	\$0.585	\$1.51
Chewing tobacco	\$0.195	\$0.5033

* Prorate tax for fractions of a pound.

[T.D. TTB-75, 74 FR 14484, Mar. 31, 2009]

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§ 41.34 Cigarette papers.

Cigarette papers are taxed at the following rates under 26 U.S.C. 5701(c):

Product	Tax rate for each 50 papers* for removals during the following periods:	
	2002 to March 31, 2009	April 1, 2009 and after
Cigarette papers up to 6½" long.	\$0.0122	\$0.0315
Cigarette papers over 6½" long.	Use rates above, but count each 2¾" or fraction thereof of the length of each as one cigarette paper.	

* Tax rate for less than 50 papers is the same. The tax is not prorated.

[T.D. TTB-75, 74 FR 14484, Mar. 31, 2009]

§ 41.35 Cigarette tubes.

Cigarette tubes are taxed at the following rates under 26 U.S.C. 5701(d):

Product	Tax rate for each 50 tubes* for removals during the following periods:	
	2002 to March 31, 2009	April 1, 2009 and after
Cigarette tubes up to 6½" long.	\$0.0244	\$ 0.0630
Cigarette tubes over 6½" long.	Use rates above, but count each 2¾ or fraction thereof of the length of each as one cigarette tube.	

* Tax rate for less than 50 tubes is the same. The tax is not prorated.

[T.D. TTB-75, 74 FR 14484, Mar. 31, 2009, as amended by T.D. TTB-85, 75 FR 42607, July 22, 2010]

CLASSIFICATION OF LARGE CIGARS AND CIGARETTES

§ 41.37 [Reserved]

§ 41.38 Cigarettes.

For internal revenue tax purposes, small cigarettes are designated Class A and large cigarettes are designated Class B.

(72 Stat. 1414; 26 U.S.C. 5701)

[26 FR 8191, Aug. 31, 1961. Redesignated at 40 FR 16835, Apr. 15, 1975]

§ 41.39 Determination of sale price of large cigars.

The tax imposed on large cigars is computed based on the sale price (the price for which the large cigars are sold by the importer or manufacturer). In addition to money, goods or services